

Joshua A. Sussberg, P.C.

**KIRKLAND & ELLIS LLP**

**KIRKLAND & ELLIS INTERNATIONAL LLP**

601 Lexington Avenue

New York, New York 10022

Telephone: (212) 446-4800

Facsimile: (212) 446-4900

Patrick J. Nash, Jr., P.C. (admitted *pro hac vice*)

Ross M. Kwasteniet, P.C. (admitted *pro hac vice*)

**KIRKLAND & ELLIS LLP**

**KIRKLAND & ELLIS INTERNATIONAL LLP**

300 North LaSalle Street

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

*Proposed Counsel to the Debtors and  
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

---

In re:

CELSIUS NETWORK LLC, *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)

) Case No. 22-10964 (MG)

) (Jointly Administered)  
)

---

**DECLARATION OF CHRIS FERRARO IN SUPPORT OF DEBTORS' OBJECTION TO  
MOTION FOR RELIEF FROM AUTOMATIC STAY**

---

I, Chris Ferraro, declare:

1. I am the Chief Financial Officer ("CFO") of Debtor Celsius Network LLC ("Celsius Network" or "Celsius"). As CFO, I am familiar with litigation filed against the Debtors prior to the filing of the chapter 11 cases on July 13, 2022 (the "Petition Date"). I submit this Declaration in support of the Debtors' Objection to Creditor Daniel A. Frishberg's Motion For Relief From Automatic Stay.

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

2. Attached hereto as **Exhibit A** is a true and correct copy of the complaint filed by Frishberg in small claims court in Hillsborough County, Florida, on July 11, 2022. I understand that the Debtors do not have insurance coverage for Frishberg's claim.

3. I am aware of approximately thirty other actions against one or more of the Debtors that have been filed in small claims courts across the country. In general, these small claims actions assert state law claims related to Celsius's June 12, 2022, decision to pause any withdrawals or movement of assets on its platform after that date.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on August 25, 2022, at Quito, Ecuador.

/s/ Chris Ferraro

Chris Ferraro

# Exhibit A

IN THE CIRCUIT COURT OF THE THIRTEENTH JUDICIAL CIRCUIT,  
IN AND FOR HILLSBOROUGH COUNTY, FLORIDA

22--50333

Daniel Anatoly Frishberg

Case Number:

Division:

P

Plaintiff(s)

vs

Celsius Networks LLC

Defendant(s)

C/O Registered Agent Title MGR Mashinsky, Alexander

Address

121 River St PH

(number)

(street)

Hoboken NJ

07030-5982

(city)

(state)

(zip code)

Phone:

866-463-5669

STATEMENT OF CLAIM

Plaintiff(s) sues defendant(s) for damages which do not exceed \$8,000.00 exclusive of costs and interest for (check one category below):

- ☐ Auto Accident occurring on or about \_\_\_\_\_ in the vicinity of \_\_\_\_\_, in \_\_\_\_\_ County, Florida caused by negligent operation of a vehicle operated by \_\_\_\_\_ and owned by \_\_\_\_\_ resulting in damages, described below.
- ☐ Goods sold by Plaintiff; goods and prices and credits listed below.
- ☐ Work done and materials furnished; time and materials, showing charges and credits, listed below.
- ☒ Money lent to defendant on 12/09/2021 with interest owed since 7/6/2022.
- ☐ Promissory Note executed on \_\_\_\_\_, copy attached; defendant failed to either pay the note, or an installment payment, and interest is owed since \_\_\_\_\_, plus attorney's fees.
- ☐ Account Stated for an agreed balance owed on business transactions between the parties, the defendant did not object to the statement of account presented, a copy of which is attached.
- ☐ Other claim - Please specify: \_\_\_\_\_.

Explain below the details (what happened, dates, times, place, etc.) of your claim. This section must be completed. Attach additional pages if needed.

I requested to close my "earn" account on 7/6/2022 and to transfer the assets to my "custody" account. As is allowed under their TOS. On 7/19/2022 the 3 day deadline they had expired. The way they used the funds is questionable with allegations of fraud and a Ponzi Scheme.

☐ Attached is a copy of any written document(s) that is/are the basis of this claim.

WHEREFORE, the Plaintiff(s) demand judgment in the principal sum of \$ 3400  
Plus costs, if known, (summons, service) in the amount of \$ ~~1000~~ 599.99  
Plus interest in the amount of \$ \_\_\_\_\_  
TOTAL \$ 3999.99

Mailing Only!

Plaintiff Address:

17041 North Campus Mail center  
Tampa, Florida, 33620

DK

Signature of Plaintiff(s)

Daniel Frishberg

Print name of Plaintiff(s)

Telephone Number

754-237-8472

Title (if applicable)

Email Addresses:

Danny Frishberg@gmail.com

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

The foregoing instrument was sworn to or affirmed and signed before me this 11 day of July  
2022, by Daniel Frishberg who is personally known to me or who has produced  
FL ID identification and who did ☒ did not ☐ take an oath.

CINDY STUART  
As Clerk of the Court

As Deputy Clerk



Notary Public

Typed or Printed Name



Celsius, its executives and its owner/CEO Alex Mashinsky

Made numerous, continuous promises that everyone would be able to withdraw their assets whenever they wanted. Alex was on twitter telling everyone that everything is fine and making everyone believe that everything will be okay, up until the day before Celsius closed withdrawals for almost a month (so far...). With no clear timeline for resuming withdrawals. What is clear: Celsius took very high risks with depositors money, and took large losses. They admitted to ~~\$54 million~~ million losses in "BadgerDAO", they also lost ~50% of their investment in the "Bancor" Liquidity protocol. Celsius ~~also~~ also spent ~\$350 million buying "CEL" (their own token which they had billions of dollars worth at the time). Sometimes on the same exchanges as CEO Alex Mashinsky sold ~\$45 million worth of "CEL" on. According to on-chain analysis by Arkham. ~~This~~ This is just some, of the ~~known~~ known trades they did. More importantly however, they violated their own terms of service by ~~not~~ not closing my "earn" account and/or allowing me to withdraw funds. However, part of their TOS allows them to limit withdrawals, but it says nothing about limiting the closing of accounts. By not closing the ~~earn~~ "earn" they broke the contract, which under Florida law means the contract is null and void and the assets I transferred over can be recovered which is what I'm doing now. This also voids the arbitration clause / other jurisdictional waivers.

CLERK OF CIRCUIT COURT  
22 JUL 12 AM 8:46

**FORM 1.997. CIVIL COVER SHEET**

The civil cover sheet and the information contained in it neither replaces nor supplement the filing and service of pleadings or other documents as required by law. This form shall be filed by the plaintiff or petitioner with the Clerk of Court for purpose of reporting uniform data pursuant to section 25.075, Florida Statute. (See instructions for completion.)

**1. CASE STYLE**

In the Circuit Court of the Thirteenth Judicial Circuit for Hillsborough County, Florida

Daniel Anatoly Frishberg  
Plaintiff(s)

Case Number: 22 CC 50333

Division: P

vs

Celsivs Network LLC  
Defendant(s)

**2. AMOUNT OF CLAIM**

Please indicate the estimated amount of the claim, rounded to the nearest dollar. The estimated amount of the claim is requested for data collection and clerical processing purposes only. The amount of the claim shall not be used for any other purposes.

- ☒ \$8,000 or less ~\$3,000 (crypto currency)  
☐ \$8,001 - \$30,000 \_\_\_\_\_  
☐ \$30,001 - \$50,000 \_\_\_\_\_  
☐ \$50,001 - \$75,000 \_\_\_\_\_  
☐ \$75,001 - \$100,000 \_\_\_\_\_  
☐ over \$100,000.00 \_\_\_\_\_

**3. TYPE OF CASE** (If the case fits more than one type of case, select the most definitive category.) If the most descriptive label is a subcategory (is indented under a broader category), place an X in both the main category and subcategory boxes.

**CIRCUIT CIVIL**

- ☒ Condominium  
☒ Contracts and indebtedness  
☐ Eminent domain  
☐ Auto negligence  
  
☐ Negligence – other  
  
☐ Business governance  
☐ Business torts  
☐ Environmental/Toxic tort  
☐ Third party indemnification  
☐ Construction defect

- ☐ Homestead residential foreclosure \$50,001 - \$249,999  
☐ Homestead residential foreclosure \$250,000 or more  
☐ Non-homestead residential Foreclosure \$0 - \$50,000  
☐ Non-homestead residential Foreclosure \$50,001-\$249,999  
☐ Non-homestead residential Foreclosure \$250,000 or more  
☐ Other  
☐ Antitrust / trade regulation  
☐ Business transactions  
☐ Constitutional challenge – statute or ordinance  
☐ Constitutional challenge – proposed amendment



- |   |   |
|---|---|
| <input type="checkbox"/> Mass tort  | <input type="checkbox"/> Corporate trusts                     |
| <input type="checkbox"/> Negligent security                               | <input type="checkbox"/> Discrimination – employment or other |
| <input type="checkbox"/> Nursing home negligence                          | <input type="checkbox"/> Insurance claims                     |
| <input type="checkbox"/> Premises liability – commercial                  | <input type="checkbox"/> Intellectual property                |
| <input type="checkbox"/> Premises liability – residential                 | <input type="checkbox"/> Libel / Slander                      |
| <input type="checkbox"/> Products liability                               | <input type="checkbox"/> Shareholder derivative action        |
| <input type="checkbox"/> Real property / Mortgage foreclosure             | <input type="checkbox"/> Securities litigation                |
| <input type="checkbox"/> Commercial foreclosure \$0 - \$50,000            | <input type="checkbox"/> Trade secrets                        |
| <input type="checkbox"/> Commercial foreclosure \$50,001 - \$249,999      | <input type="checkbox"/> Trust litigation                     |
| <input type="checkbox"/> Commercial foreclosure \$250,000 or more         |   |
| <input type="checkbox"/> Homestead residential foreclosure \$0 - \$50,000 |   |

#### COUNTY CIVIL

- ☒ Small Claims  
☐ Civil  
☐ Real property/Mortgage foreclosure  
☐ Replevins  
☐ Evictions  
    ☐ Residential Evictions  
    ☐ Non-Residential Evictions  
☐ Other civil (non-monetary)

#### 4. REMEDIES SOUGHT (Check all that apply):

- ☒ Monetary;  
☒ Non-monetary declaratory or injunctive relief;  
☐ Punitive

#### 5. NUMBER OF CAUSES OF ACTION: \_\_\_\_\_

(Specify) Not allowing me to terminate my "loan" to them as allowed in Section #3, Subsection D. And Section 11.

#### 6. IS THIS CASE A CLASS ACTION LAWSUIT?

☐ Yes

☒ No

#### 7. HAS NOTICE OF ANY KNOWN RELATED CASE BEEN FILED?

☒ No

☐ Yes. If "Yes", list all related cases by name, case number and court. \_\_\_\_\_

#### 8. IS JURY TRIAL DEMANDED IN COMPLAINT?

☒ Yes

☐ No

*allowing me to withdraw my assets (Cryptocurrency) in full immediately without additional fees other than network transaction fee.*  
*And most importantly Section #19 of the TOS.*



9. DOES THIS CASE INVOLVE ALLEGATIONS OF SEXUAL ABUSE?

☐ Yes

☒ No

I CERTIFY that the information I have provided in this cover sheet is accurate to the best of my knowledge and belief, and that I have read and will comply with the requirements of Florida Rule of General Practice and Judicial Administration 2.425.

Signature



Attorney or Party

Daniel

Frishberg

Type or Print Name

FL Bar Number

(Bar Number if attorney)

7/11/2022

Date